



MEMORANDUM

To: State Board of Education & Early Development
Date: May 6, 2022

Thru: Commissioner Michael Johnson
Telephone: (907) 465-2875

From: Heidi Teshner, Director
Subject: Agenda 17C. Division of Finance and Support Services Standing Report

Child Nutrition Programs

Waivers for Meal Program Flexibility

The current federal waivers supporting flexibility during the pandemic are expiring on June 30, 2022. Child Nutrition is drafting state-level waivers to support transition of local program operations and allow deviations from normal program operations as needed as a result of the COVID-19 pandemic and supply chain issues.

School districts who normally receive applications for free or reduced-price meals are encouraged to conduct outreach. Students who have received all school meals at no charge for two years, and families, will need prompting to resume the application processes.

Local Food for Schools Grant

Child Nutrition will be applying for a U.S. Department of Agriculture (USDA) grant in the amount of \$520,635 to provide subgrants to school districts for purchasing local foods for use in school nutrition programs for the 2022-2023 school year.

Pandemic-Electronic Benefits Transfers (P-EBT) Program

Our partner agency, the Department of Health and Social Services (DHSS) Division of Public Assistance (DPA), began distribution of P-EBT benefits for the 2020-2021 school year at the end of November 2021; delays were incurred due to the DHSS cyberattack. DHSS DPA is only able to issue approximately 600 cards a day and are still working on distribution of prior year data.

School Finance

Foundation Funding Program

- The department has updated the local contribution information and the federal Impact Aid receipts applicable to FY2022 and has finalized the foundation calculations for FY2022. The school districts have been notified by the department of the final allocation of state aid for the current year.

Pupil Transportation Program

- For FY2022, 48 districts are participating in the program. The department has disbursed all the grant funding to the districts providing pupil transportation services in FY2022.
- The next school bus driver instructor training will be held in late May 2022 and ending in mid-June at the Alaska Vocational Technical Center (AVTEC) in Seward. There will be two workshops this year: one to train and recertify existing school bus driver training instructors and one workshop that will initially train and certify new school bus driver training instructors. The recertification class is limited to a total of 18 students and the initial training class has been expanded to 24 students. The school bus driver instructors that complete the AVTEC training are certified to train new school bus drivers in the state. A school bus driver trainer certificate is good for three years and must be renewed through a refresher course paid for by the department through AVTEC.

Residential Schools

- Of the nine residential school programs in eight school districts, all but two operated a program in FY2022 (school year 2021-2022). The two districts that did not operate programs are Bering Strait and North Slope. The department has distributed all applicable grant funding to the residential school programs in operation in FY2022.
- The department has opened a period of open enrollment from May 1 to June 30 for districts to submit residential school applications for new programs or to modify a current program.

Boarding Home

For FY2022, there is currently still one student being served under this program in the Kuspuks School District.

State and Federal Reporting Requirements

- School District Audits – certified audits are due to the department by November 15 each year in accordance with AS 14.14.050. If audits are not received by the due date the department withholds state funding until the audit is received, and the withheld funds are released to the district. The department is still waiting on two past due audits.
- Local Educational Agency (LEA) Indirect Cost Rate Proposals – The department is responsible and has been delegated the authority by the U.S. Department of Education to review and approve LEA restricted indirect cost rates. A district that wishes to receive an indirect cost rate must provide the financial information from the prior year on a form provided by the department. All indirect cost rate proposals were due to the department by December 31. The department has issued the next years approved indirect cost rates to all districts that applied for an indirect cost rate.

School Facilities

Capital Improvement Projects (CIP)

The Facilities section annually reviews applications for state aid for school construction and major maintenance and produces statewide priority lists. When funded, the section administers state-aid for school capital projects ranging in size from \$50,000 to \$60,000,000.

Active Grant Projects	Total State Share	Active Debt Projects	Total Approved Amount
28	\$246,801,107	19	\$80,222,302

- Issued a Project Agreement for a FY2022 grant from the REAA Fund to the Lower Kuskokwim School District for the William N. Miller Memorial K-12 School Replacement, Napakiak. The grant will fund phased demolition of the existing school. \$3,132,000 state share; \$62,640 local share. The district is preparing construction and bid documents and anticipates the first phase of demolition to occur this summer. That project will remove approximately 70 feet of building and relocate another building most threatened by the erosion of the riverbank.
- Provided a draft Project Agreement to the Ketchikan Gateway Borough for the Ketchikan High School Auditorium Audio/Visual Upgrades project (\$402,069).
- Provided a draft Project Agreement to the Anchorage School District for the Romig Middle School Special Education Classroom Relocation project (\$800,000).
- Received and reviewed 5 progress submittals (95% Construction Documents, Change Order Logs, etc.) on five grant projects.

The Bond Reimbursement and Grant Review Committee (BRGR) met April 19 and 20, 2022 and approved the FY2024 CIP application, instructions, and other support materials for districts to submit by the September 1, 2022 grant application deadline.

Facilities will host its annual CIP application workshop on May 12, 2022 in Anchorage. This workshop is typically attended by 30-40 persons from school districts, municipalities, design firms, and grant writing entities.

Land

The Facilities section manages state owned land in support of school facilities, several REAA districts, and Mt. Edgecumbe High School (MEHS). The section regularly assists school districts and other state agencies on real property that the department has, or had, a property interest in, including providing information on chain of title, receiving title under AS 14.08.151, and excessing state-owned school property.

- Managing the ongoing transaction to sell Lot 15A, MEHS land on Japonski Island, to the City & Borough of Sitka in support of a Federal Aviation Administration (FAA)-funded seaplane base. Offer stands at \$753,125. The City and Borough of Sitka provided an executed Purchase and Sale Agreement as required by the FAA and placed \$10,000 in an escrow account subject to release to the department if the purchase is not made by December 31, 2022.
- The U.S. Coast Guard (USCG) hosted an appraiser from the General Services Administration (GSA) on January 18, 2022 to review a residual piece of Lot 15A earmarked for USCG use. The USCG has expressed an interest in purchasing this -0.19-acre parcel. No further action this quarter.

- Responded to an inquiry by the USCG regarding purchase of MEHS parcels Tract C, Tract C-1, and Tract F-1 (total approximately 2 acres) in support of a new Fast Cutter home porting. Indicated these parcels were not excess to the department's needs at MEHS.
- Responding to inquiries on land use at the old Bureau of Indian Affairs (BIA) site in Pilot Station, the section has entered discussion with the City of Pilot Station regarding a transfer of this property to the city. Pilot Station was incorporated in 1969 as a second-class city and is eligible to receive excess land from the department.

Facilities and Preventive Maintenance (PM) Assessments

The Facilities section conducts site visits and provides assessments of district compliance in six areas of maintenance and facilities management. Compliant districts are eligible to request state aid through the annual CIP process.

- Conducted on-going work with three school districts on provisional certification of data submission deadlines. Received and reviewed data from the Bristol Bay Borough School District (energy monitoring) and Kake City School District (energy monitoring).
- Notified the Yakutat City School District that provisional status related to energy monitoring and maintenance training was being revoked and that the district was now being listed as non-compliant. Explained necessary corrective actions for return to Compliant or Provisional under the regulations.
- There are scheduled site visits to 12 school districts in FY2022. Two staff members worked to perform PM assessments on the following districts in the April through May 2022 time period, which will complete this year's assessments:
 - *Delta Greely School District – April 8*
 - *Alaska Gateway School District – April 11-12*
 - *Copper River School District – April 13-14*
 - *Chatham School District – April 27-28*
 - *Hoonah School District – April 27-28*
 - *Nome City Schools – May 3-6*
- On April 5-6, the department made an unscheduled maintenance assessment to the Yukon Flats School District (YFSD), at the district's request. YFSD has been non-compliant with the minimum provisions for maintenance and facility management for the past three years. New leadership (Superintendent, Maintenance Director) is motivated to change this status, take necessary corrective action, and seek Provisional status by June 1, 2022.
- The department issued assessment reports to two school districts, both of which were certified as meeting minimum requirements (Mat-Su and Sitka). Non-certified districts have until August 1, 2022 to take corrective action on deficiencies in order to gain provisional certification under 4 AAC 31.013(h).

Publications

The Facilities section manages 14 DEED publications providing guidance and tools for managing school facilities and capital projects with state aid. Publications are validated and updated on a 5-year cycle.

- A comment period on proposed revisions to the *Capital Project Administration Handbook* closed on March 31, 2022. Five groups of comments were received, some of which led to additional revisions. At their April 20, 2022 meeting, the BRGR moved in support of the department issuing the updated publication. Issuance and posting to the department's website occurred on April 25, 2022.

- On March 25, 2022, a second comment period on closed the department’s 14th publication, *Alaska School Design and Construction Standards*; 180 comments were received. This publication is in response to HB212 (Chapter 79 SLA2018) requiring development and periodic update of regionally based building system standards and design ratios for cost-effective school construction in Alaska. It includes Baseline, Provisional, and Premium (read ‘not permitted’) standards for building systems and school spaces. The department and the Model School Subcommittee of the BRGR prepared responses to each comment and recommended edits to the second draft at the April 20, 2022 BRGR meeting. After review, the BRGR approved the April 2022 First Edition for release and added the publication as Appendix B to the CIP Application and Instructions forms, which are updated annually by the committee under their statutory responsibilities.
- The *Alaska School Facilities Preventive Maintenance Handbook* was also approved for a second round of public comment, which ends on May 31, 2022.
- A validation survey for the *Project Delivery Method Handbook* was issued in January 2022. Initial revisions were reviewed by the BRGR and recommended to go out to public comment. A public comment period will be held in May-June 2022.
- The 21st Edition of the DEED *Program Demand Cost Model* was received from the contractor and was released in advance of the May 12, 2022 workshop. This publication allows school districts to obtain a preliminary project cost estimate for new construction or renovation.

Aligned Organizations

- Facilities Manager, Tim Mearig, currently serves on the board of the National Council on School Facilities (NCSF). The NCSF membership is comprised of the 50 states’ K-12 school facilities directors, and also those from U.S. Territories and the Department of Defense. Tim was elected to a second term as Board Treasurer at the organization’s annual meeting in December 2021 and will be helping guide the organization to fiscal sustainability following the hiring of its first Executive Director.
- Building Management Specialist, Wayne Marquis, continues to serve as the Commissioner Designee for the Military Interstate Children’s Compact Commission (MIC3) for Alaska and also as the Advisory Board Coordinator for the Alaska Purple Star School Designation Award, which were announced at a ceremony in Fairbanks on April 15 for Alaska’s first recipients of the Purple Star School Designation. Twenty Alaskan schools in four school districts were awarded the designation which remains effective through 2025.
- Tim Mearig also fills a standing board seat reserved for the department’s Facilities Manager on the Alaska Chapter of the Association for Learning Environments (A4LE). This organization’s mission is: Leading innovation at the intersection of learning and place. The Alaska Chapter deals with real-world issues related to school planning, design, construction, and operation in our state and has been a vital partner in these areas.

Special Projects

- The department received an FY2022 appropriation to accomplish a new facilities master plan for MEHS. The department has executed a Reimbursable Services Agreement (RSA) with the Department of Transportation and Public Facilities (DOT/PF), Division of Facility Services, in support of this project. DOT/PF issued a Request for Proposals (RFP) to Nvision Architects on April 22, 2022.

- The department received an FY2022 appropriation to develop a capital funding forecast database. This database will document the statewide need for K-12 construction and capital renewal each year and will identify how existing funding mechanisms could meet that need. Responses to a Request for Information (RFI) were received from two entities in March 2022. These were used to prepare a Request for Proposals (RFP), and to seek approval from the state's Office of Information Technology (OIT) through their Investment Review Board. The RFP was issued on April 29, 2022 and is anticipated to result in a contract award in early June 2022.